



Office of The Mayor and City Council

James B. Martin
Regional Administrator
U.S. EPA, Region 8
1595 Wynkoop Street
Denver, CO 80202

May 25, 2012

Dear Administrator Martin:

Since the Spring of 2010, Park City Municipal Corporation and EPA Region 8 have attempted to resolve the challenge presented to our community when EPA effectively terminated our community's Memorandum of Understanding with United Park City Mines Company (the mine company), which had previously allowed the disposal of mine waste from Park City's municipal, commercial, and residential excavation projects. Our collective effort to meet this challenge began as a directive from you to Park City to prepare a repository work plan for EPA review and approval, which Park City did. Then, at EPA's direction, the effort soon evolved into a complex negotiation of a Multi-Party Administrative Order on Consent (AOC) with five parties, including the mine company.

Throughout this process the mine company has refused to negotiate directly with Park City and EPA was forced to take on the difficult role of shuttle negotiator. Park City sincerely appreciates EPA's efforts to reach an agreeable conclusion on the Multi-Party AOC. After nearly two years of effort by a number of well-intentioned people and several hundred thousand dollars of legal and consultant costs, unfortunately, Park City is unable to accept the "final" Multi-Party AOC transmitted to the parties by EPA on April 27, 2012 for signature by today, May 25, 2012. We understand, according to mine company representatives, that the mine company has already executed the AOC, which it did without notifying Park City even though we had made formal counter proposals on three outstanding issues in a letter to mine company counsel dated May 7, 2012. The mine company did not respond to our counter proposals.

As you know, in the context of the Multi-Party AOC negotiations, the mine company and its parent or affiliate, Talisker, sought and received in EPA's "final" AOC, a complete waiver of claims and municipal regulatory actions related to Waste Material by Park City, including in the Upper Watershed, an area outside of the AOC's cleanup area. Park City was willing to consider

such a waiver, in the context of the other benefits of the proposed AOC, but only with assurances in the AOC that EPA would replace Park City as regulator and act now to evaluate the human health and environmental impacts of known remaining mine sites in the Upper Watershed. EPA has not been willing to make such assurances.

In addition, the AOC includes provisions that would give the mine company and Talisker a major competitive advantage over other entities and individuals in Park City with respect to mine waste disposal. Finally, in recent months, certain costs shifted to Park City, making the cost savings of the AOC substantially less than anticipated, and due to both pending and potentially imminent litigation, the risks of the complete waiver of claims as to the mine company and Talisker have become more apparent. For these policy and legal reasons, Park City cannot accept the April 27, 2012 AOC.

Park City recognizes that EPA has cleanup goals for the middle and lower Silver Creek floodplain and Park City supports EPA efforts to address the environmental legacy created by historic mining and milling in and around our community. Park City is ready to meet with EPA as soon as possible on an approach to addressing that legacy that meets both of our goals. We make this request in recognition that both EPA and Park City made major investments of financial and other professional resources in the long-lived Multi-Party AOC negotiations. We wish to continue an effort with EPA, without the weight of the mine company and Talisker demands, to reach a positive environmental outcome.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dana Williams".

Dana Williams

Mayor

cc Park City Council Members
 Andrea Madigan, EPA Region 8
 Matt Cohn, EPA Region 8
 Martin Hestmark, EPA Region 8